

## Report of the peer review workshop on Customs Collaboration to Combat the Trade in Illegal Timber, 28-29 October 2009, Bangkok

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The peer review workshop on Customs Collaboration to Combat the Trade in Illegal Timber was held on 28-29 October 2009 in Bangkok. Participants included forestry and customs officials from Indonesia, Malaysia, Vietnam, China, Lao PDR, Cambodia, Thailand and Japan, as well as representatives of regional and international organizations, including the US Agency for International Development Regional Development Mission for Asia (USAID RDMA), the ASEAN Wildlife Enforcement Network (ASEAN-WEN), The Nature Conservancy (TNC), TRAFFIC, the World Customs Organization Regional Intelligence Liaison Office for Asia and the Pacific (RILO-A/P), and IGES.

Funding for the workshop was provided by the Responsible Asia Forestry and Trade (RAFT) program. Funded by USAID RDMA, RAFT brings together NGOs, governments and the private sector to transform the regional timber trade by forging linkages between producing countries, processing and consuming countries. Among the actions needed to stop the trade in illegal timber, RAFT has identified inter-departmental collaboration between customs and forestry administrations as well as cross-border customs mutual assistance and cooperation.



The objectives of the workshop were to:

- Provide expert feedback for the policy report “Enhancing Customs Collaboration to Combat the Trade in Illegal Timber” prepared by IGES;
- Clarify effective options to enhance collaboration between customs agencies to prevent trade from being a driver of illegal logging; and
- Prioritize the options and identify ways forward including the most appropriate collaborative arrangements for implementing the options.

The participants from customs and forestry authorities prepared for the workshop by providing written answers to a set of guiding questions for each session. The workshop was facilitated by IGES, TNC and TRAFFIC, and IGES and TRAFFIC provided the kick-off presentations for each of the sessions. The sessions addressed the analysis and findings of successive sections of the IGES report, and in this way the workshop was very successful in gathering a rich set of information and views on the report. TRAFFIC presented its research findings on timber trade statistics discrepancies in one session.



The points made by the participants during the review session at the end of the first day's discussion included:

- Like many other parts of government, customs are being asked to do more – trade facilitation and security – without necessarily more resources. The needs of customs agencies are not the same in each country. Some are much better resourced than others, and initiatives for enhanced customs collaboration must take this into account.
- Countries have clear procedures for the permitting of wood product exports and some exporting countries now have wood product legality verification processes as part of their export permitting. However, the requirements of the exporting countries for the clearance of wood product consignments are not well known by customs agencies in importing countries. Information sharing is thus critical for more effective co-operation.
- There are many examples of collaboration between countries that already exist that could be extended to include the issue of illegal timber. The higher the political support that can be secured, the more likely for this to happen. MoUs between customs authorities in the Asia Pacific region already exist and there may be scope to mobilize these in combating the trade in illegal timber.
- Any bilateral arrangement between customs authorities on the illegal timber trade must engage forestry and other agencies. MoUs or other agreements within countries between customs and forestry could be very helpful in formalizing and guiding this collaboration.
- ASEAN-WEN offers an important lesson in the way it has taken existing commonalities in countries to build a framework for collaboration. The ASEAN-WEN experience of having focal points within customs and police at border control points suggests that it is very important to have a focal point within customs for the illegal logging issue.
- Linkages to existing regional processes and building on a shared agenda are the only ways that cooperation tends to emerge. The ASEAN Senior Officials on Forestry (ASOF) program on Forest Law Enforcement and Governance (FLEG) could provide a useful platform for co-operation to combat the trade in illegal timber. Another useful platform could be the ASEAN Customs Procedures and Trade Facilitation Working Group (CPTFWG) which was designed to take up any issues relating to customs integration.



- Participants agreed that the use of the Customs export declaration form as a check on legality in the country of import is feasible. This is the official document endorsed by Customs and other agencies before the shipment leaves a country. This official document should be checked at the point of import, to verify and validate the other documents presented, such as business and shipping documents. This will help in eliminating some forms of illegality including misidentification, misevaluation, tax evasion, etc. and is a useful tool for monitoring of the timber trade between two countries.
- Requiring an additional document as a check on the legality of timber in the country of import could be feasible. At one time the idea for an advanced passenger declaration had been floated: Before the airplane departs, customs would send advanced information related to the passenger list to customs in the destination country. In a similar vein, the customs of the export country could send the export declaration forms for all wood product shipments to customs in the country of import as a form of prior notification.
- Customs agencies should work together to investigate discrepancies in wood product trade statistics when these appear to be due to suspicious activities. Early analysis to monitor trade flows and to enable greater control of data is needed.
- There is a need not only to combat illegal logging and the resultant trade, but also to promote the positive trade of legal and sustainable timber. Wood products have advantages for climate change mitigation over their substitutes such as aluminum and steel.



In the last session of the workshop, the participants were asked to write on cards the important messages that they had taken from the workshop as well as the actions that they would like to see taken in the next six months. The cards were then grouped by the facilitators. The main messages and the suggestions from this final session were:

- There is a need to open channels for better communications between agencies and at different levels, both nationally and internationally.
  - Greater internal coordination between forestry and customs (MoUs or other appropriate arrangements between customs and forestry would be helpful) is needed.
  - Greater use of instruments, such as MoUs and customs cooperation and mutual administrative assistance agreements (CMAAs), to enhance collaboration between customs authorities is needed.

- A variety of instruments already exist in the customs field that could be used to combat the trade in illegal timber, including ENVIRONET, RILO-A/P, and the Customs Enforcement Network (CEN), if the will to do so could be harnessed. For example, trade in illegal wood could be included as a separate category in the CEN seizures database or all countries could be required to submit information on illegal timber trade (seizures and infractions) to RILO-A/P.



- There is a need to target regional processes and platforms for regular meetings between customs and forestry officials. The actions suggested include:
  - Encourage ASEAN to establish a joint customs-forestry working group on illegal logging and trade;
  - Request ASEAN to organize a workshop on collaboration between forestry, police and customs;
  - Request the International Tropical Timber Organization (ITTO) to support an Asian customs forestry working group on illegal logging and trade.

- If agreements between countries for interagency collaboration to combat the illegal timber trade are concluded, they must be followed through by the revision of regulations. Consistent regulation between exporting and importing countries is required.



- There is a need for procedures in importing countries for information exchange and other useful forms of collaboration to assist exporting countries in combating the trade in illegal timber. The exchange of information on customs and forestry laws between exporting and importing countries would be particularly useful.
- A model MoU between Customs authorities on the illegal timber trade should be drafted.
- Piloting to test approaches could be useful, including:
  - Setting up a pilot to test specific collaboration mechanisms under current CMAAs and MoUs;
  - Two countries in the region to agree on a measure to reduce the volume of suspect timber trade between them.

- Other specific proposals included (i) to encourage ASEAN and other countries to work with their Customs to require the presentation of Customs export declarations during imports, and (ii) a framework for collaboration between Indonesia and China.
- Other issues raised included (i) the need for capacity building and training of customs officials to be more effective in combating the illegal timber trade, (ii) incorporating clauses on collaboration to tackle the illegal timber trade in free trade agreements, and (iii) the need for monitoring and evaluation of any mechanisms for collaboration.

The follow-up of the workshop is:

- Completion of the IGES report “Enhancing Customs Collaboration to Combat the Trade in Illegal Timber” incorporating the results of the workshop, by the end of December 2009;
- A shorter policy brief (6 – 8 pages) incorporating the results of the workshop, with recommendations targeting specific audiences;
- The workshop organizers and facilitators to share the results of the workshop and the reports with all relevant parties;
- The workshop organizers to explore options for mobilizing further support to implement the findings of the reports.

